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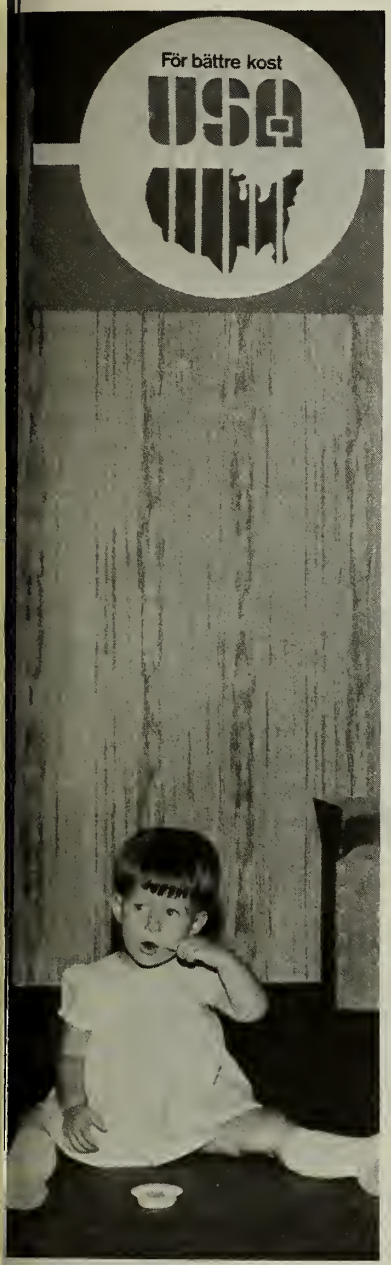
# FOREIGN AGRICULTURE




## Swedes and Irish Like U.S. Rice

October 21, 1968

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

# FOREIGN AGRICULTURE

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This week's cover:

Stockholm youngsters at the St. Erik's food show and housewives at Belfast's 2nd International Food Fair sample U.S. rice. See story on page 12.


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# Mainland China's

***Agricultural production in Mainland China in 1968 has checked and faltered following a substantial farm-produce upswing in 1967.***


By MARION R. LARSEN
*Foreign Regional Analysis Division*
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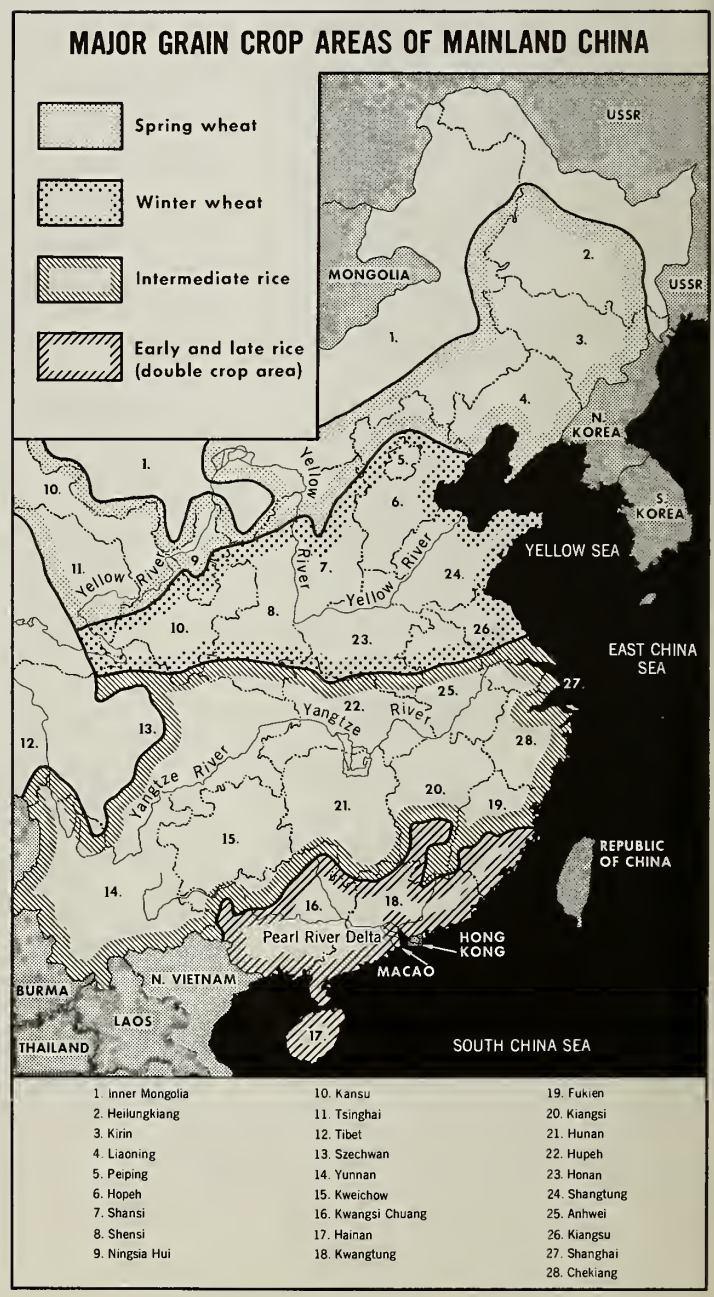

# Agriculture Suffers Setback in 1968

Mainland China in 1968, still reeling under the impact of the 2-year-old cultural revolution, displays an economy in disarray, continues to increase its isolation from the mainstream of world affairs, and has not been able to recover the forward momentum that it enjoyed during the years from 1962 to 1967.

The downturn in the economy that occurred in 1967 (despite an exceptional gain in agriculture) continues with increasing evidence of disruption in all phases of peasant life. Instead of curing the ills for which it supposedly was created, the cultural revolution has resulted in labor strife, reduction in output, deterioration in quality of product, transfer of workers and students to distant rural areas, threats of loss of private plots in farming areas, reduction in capital investment and foreign trade, and a decline in the availability of many household items. Even though the organization of the revolutionary committees has been completed, the problem of control and unity in the country as a whole is as perplexing a question as ever.

## Agriculture in 1967

Agriculture (both socialized and private food production) proved to be the bright spot in Mainland China's economy in 1967. But although it had top priority, requisites (machinery, tools, chemical fertilizers, insecticides) from supporting industries were not available in necessary quantities nor at the optimum time to enable farm production to realize its full potential even under China's best weather conditions in possibly two decades.

The weakened administrative apparatus, particularly at the *hsien* (county) and provincial level, caused delays in farmwork, disrupted farming plans, and in some areas modified the balance between socialized and private farming.

Nevertheless, there is sufficient evidence to support Mainland China's claim of an excellent year for agriculture in 1967. Production of grain, the most important staple in the diet, was at a record or near-record level.

Official statements about the magnitude of the harvest, however, varied substantially. Vice-Premier Hsieh Fu-chih in October and Premier Chou En-lai in November 1967 indicated that grain output was about 190 million tons, including potatoes on an equivalent basis of four units of potatoes to one unit of grain. In a February 2, 1968, speech, however, the Premier revised his previous estimate upward without divulging a figure. On the other hand, it is certainly doubtful that the claim of 230 million tons given by Anna Louise Strong in her January 15, 1968, *Letter From China* is even approximately correct.

But, since no serious food shortages occurred during the first half of 1968 despite procurement problems, transportation tie-ups, and the weakened administrative complex, the grain harvest may have exceeded preliminary official estimates. On the other hand, grain shortages occurred in certain traditional deficit regions and in some drought-affected areas. Also, there are indications that a higher percentage of coarse grains was included in the basic grain ration in some northern cities, partly the result of a substantial increase in production of these grains.

Cooking oil continued to be rationed and was unavailable at times. Pork was rationed in many areas in Kwangtung and Fukien Provinces. Many household items—products of light industry whose raw materials originate on farms—were added to the growing list of rationed items during recent months.

Adding further to the complexities of assessing food availability is the downward trend of grain imports during recent years while Communist China has been increasing exports of rice. The country's increasing foreign exchange deficit may be the dominant influencing factor.

## Weather and crops in 1968

The outlook for agriculture in 1968 is for a decline in production. Weather—the predominant factor—so far has been less favorable than last year (which was exceptionally good). This year Mainland China has had its usual problems of being too dry in the north and too wet in the south. Different crop areas were affected at different times by various unusual weather conditions.

In the far north, plantings were delayed in the spring wheat region (see map) and may not have surpassed those in 1967. Unusually cold weather early in the season may have had an adverse effect locally. Rainfall has certainly been much below average during most of the growing season, and probably has resulted in smaller yields. About 10 percent of Mainland China's total wheat crop is spring wheat.

The belt in which winter wheat is most important also suffered. About 90 percent of Mainland China's wheat crop is winter wheat. In the north (Honan Province and surrounding areas) large tracts of grain were affected by cold weather. Large areas of wheat reportedly were killed by frost in Hopeh Province. Other areas were drier than desirable. Acreage was about the same as in 1967.

Reports from a number of the various wheat-raising provinces on harvests are not as optimistic as they were in 1967, and 1968 production is therefore estimated at less than the near-average crop of 1967. Since the good wheat crop of 1964, production has generally been poor and has not regained the level attained in the late 1950's.

Coarse grains and soybeans raised in the wheat belt also were harmed by early summer drought.

In much of the southern part of the country heavy rainfall and severe storms hampered farm production, especially early and late crops of rice. But winter crops (barley, wheat, broad beans, field peas, sweetpotatoes, rapeseed, and green manure crops) were also affected. Some were damaged by torrential rains in May as they were maturing. Most were harvested, however, before flooding in the south due to prolonged rainfall in late June and early July.

The early rice crop suffered considerably from poor weather. Cold and copious moisture at transplanting time caused some seedling rot, and the long period of rainy, cloudy weather in May delayed maturation in many areas of Kwangtung Province. Heavy rains in June and July caused flooding of low-lying fields in parts of Kwangtung, Kiangsi, and southern Fukien Provinces.

On the whole, the early rice crop (roughly one-fourth of Communist China's total rice yield each year) may have

sustained as much damage as when floods devastated much of the Pearl River Delta in 1966. But the loss is probably not as severe as that resulting from the 1963 drought in most of the early rice area. Because of problems with the early rice crop, the late crop in the double-crop area lagged behind schedule.

Since it is doubtful if early rice acreage was greater in 1968 than in 1967, the current crop is expected to be significantly smaller than last year's.

Mainland China's most important rice crop, the intermediate one planted in a broad belt north of the double-crop area, probably matured under about normal conditions, although earlier heavy rains in south, central, and east Mainland China caused some flooding and waterlogging.

Other crops, especially a large array of miscellaneous grains and potatoes, peanuts, and cotton in the Yangtze and northern river valleys, are expected to have reduced production. Some were planted late, some were destroyed by severe storms while they were maturing or were drowned by too much rain, and others had delayed harvest. In general, in southern China monsoon rains started somewhat later than usual; resulted in heavy, sporadic storms as they moved north; and lasted too long.

## Farmwork organization drags

Other problems added to the prospects of poor harvests in Communist China in 1968. Ineffective cadre leadership and poor labor discipline continue; shortages of farm tools are in evidence; and the supply of chemical fertilizers is probably less than in 1967 because of reduced domestic production. Record purchases from abroad are not likely to close the availability gap.

Farmwork has lagged partly because of unfavorable weather and partly improperly implementing delayed cropping plans. Irrigation and water management, collection of manure, and other off-season farm tasks were neglected during the winter. The rapid organization of revolutionary committees in the early part of the year contributed to a breakdown in discipline. This breakdown may have resulted in the more intensive use of land by peasants for private subsidiary crops at the expense of socialized production.

## Foreign trade trends in 1967

Mainland China's total foreign trade fell in 1967 following a record-breaking first half of the year. Sharp declines in the third quarter of 1967 could not be overcome by the upsurge during the lull in the cultural revolution in the fourth quarter. Gradual improvement continued in the first part of 1968; but in the second quarter trade was static.

Trade patterns remained in flux. Business ties with the countries of the Free World were strengthened in 1967 as trade between Communist China and the Soviet Union continued to decline. By the end of 1967 trade between the two countries was less than 6 percent of intercountry trade in 1959—the year when almost 50 percent of Communist China's trade was with the USSR. The USSR dropped out of Mainland China's 10 top trading partners. This change reduced Mainland China's trade with the Socialist bloc countries to about 21 percent of its total trade in 1967; in 1959 trade with other Socialist countries was 75 percent of all Communist China's transactions with other socialist and nonsocialist countries of the world.

New markets have developed for Communist China in the Middle East, Africa, Singapore, and Malaysia; and exports to Canada and Australia have expanded. Japan supplanted the USSR as Communist China's main trading partner in 1965, widened its lead in 1966, but gave way to Western Europe in 1967. The 5-year trade agreement between Mainland China and Japan expired at the end of 1967. It was renegotiated in March 1968 for an additional year at a lower volume of trade. Future negotiations with Japan appear to be facing mounting problems.

A substantial trade deficit, the largest since 1955, developed in 1967 when Communist China's exports lagged under the impact of the cultural revolution. Rail and port facilities, factory and mining production, and agricultural procurement were adversely affected. These problems became more apparent as 1967 drew to a close and the economic activity of the new year began.

Based on available data, it is estimated that Mainland China's total trade turnover in 1967 declined almost 6 percent. Export reductions were about evenly distributed among foods, manufactures, and crude materials. Each declined about 10 percent. Imports were up only slightly while exports declined by almost 12 percent compared with 1966. In contrast, Communist China's international trade increased 15 percent in 1965 and 27 percent in 1966.

## This year's trade picture

Preliminary data from major trading partners indicate that so far in 1968 Communist China has attempted to reduce its trade deficit by decreasing imports. But both imports and exports had declined up to June 1968 compared with the same period last year. Without a substantial export increase during the second half of the year, foreign trade will not equal last year's declining level.

The trend in 1968 appears to be an effort to bring imports more in line with exports to prevent an increase in the 1967 deficit (which may amount to US$250 million). Much of this deficit resulted from a substantial drop (about $87 million) in trade with Hong Kong, Communist China's largest single source of foreign exchange.

## What is traded where

Shifts in the commodity makeup of Communist China's trade have been significant recently. Foods had long been the major exports and imports; but in 1967 manufactures (primarily steel and steel scrap) replaced food (chiefly wheat) as the main import item. Exports of food retained their lead position.

Both imports and exports of food and other farm commodities were less in 1967 than in the year 1966. Imports declined the most because of reduced purchases of both wheat and fibers. One exception to the general decrease was a small increase in the quantity of soybeans that Mainland China sold to foreign countries.

Imports of chemical fertilizers increased about one-third in 1967 and were up threefold compared with 1964. The volume of fertilizer imports, estimated to exceed 5 million tons in 1967, was somewhat less than anticipated because of a lack of port and transportation facilities during the height of the cultural revolution and because of the closing of the Suez Canal. Purchases for delivery in 1968 exceed the record 1967 amount.

Despite the decline of food exports in 1967, Communist

China's sales in three major food categories (rice, meats and live animals, and fruits and vegetables) have increased markedly since 1962. Together with soybeans and other vegetable oilseeds, these categories comprise 60 percent of the country's farm exports. The combined value fell short of paying for foreign wheat through 1965; but since then the value of sales has far exceeded the cost of wheat imports. The relative jump in what Communist China's farm exports buy is partly due to decreased wheat imports; but, also, the potential earning power of these commodities has considerable promise judging from the experiences of the past few years. Of particular interest to observers is the fact that meat and live animals and fruits and vegetables (which account for half the total value of Communist China's farm exports) are produced primarily on private plots, or only about 5 percent of the total of all cultivated land.

Wheat is still the major food import, and rice has become the major food export in volume during the past 2 years. From an export low of less than 400,000 tons in 1961, rice sales rose to slightly over a million tons in 1967. Mainland China could export even more than this amount of rice in 1968 because of the excellent harvest last year in 1967. But poorer crop prospects for 1968 and a multitude of various other problems may limit the quantity of rice the country will sell on the international market.

Imports of grain, particularly wheat, may be slow through 1968. After the record of over 6 million tons in 1964, wheat imports were about 4.3 million tons in 1967; and only about 3.7 million tons are on order for 1968. However, negotiations may yet result in more imports this year. Present purchases are scheduled for delivery by the end of October of the current year.

### Intimations for next year

Some indication of the Communist regime's assessment of the current year's harvest will be reflected in its purchases of wheat for delivery in 1969. The analysis given in this article suggests that grain imports may increase next year.

## In view of bumper crop

# Australian Farmers Accept New Wheat Program

Australian farmers, after a month of dissent, have agreed to accept the controversial Wheat Stabilization Scheme that was put forward by their government in late August.

The program, which was endorsed reluctantly on September 19 by the Australian Wheatgrowers' Federation and now awaits approval by the legislatures of wheat-producing States, is to be in effect for 5 years, beginning with the 1968-69 season. On the whole, it reduces government payments to wheat producers by substantially lowering the guaranteed price for grain moving into export and by revamping the index used to calculate the price for grain sold on the home market.

### Lower export prices

The new guaranteed price on export wheat is A$1.45 per bushel for fair average quality (f.a.q.) wheat, f.o.b. vessels at main ports, and will apply to 200 million bushels exported from the 1968-69 crop. This compares with last year's guarantee of A$1.64 for 150 million bushels of export wheat.

The price for f.a.q. wheat sold in domestic markets has been raised 6 cents above the 1967-68 level to A$1.715 per bushel, which includes 1.5 cents per bushel to cover shipments from the Mainland to Tasmania. There is no quality limit on home sales, which normally total around 60 million bushels.

As in the past, prices are set for 1 year only, with adjustments made annually in line with changes in export prices and in the cost of production. Cost of production, which is the basis for the home-market price, is to be determined by a new index, which covers only actual cash costs—interest paid, fertilizers, fuel, labor, rail freight, handling costs, and other items. Inputed items included in past indexes, such as the theoretical interest payable on land and capital assets, will no longer be considered, as these have been largely responsible for a steady rise in the "assessed cost of production" in recent years.

As in the past, a stabilization fund is included in the wheat program to help meet government obligations when prices fall below the minimums. The fund will have a ceiling of $80 million and will be financed from an export tax in years when export returns exceed the guaranteed price plus 5 cents per bushel. The tax will not at any time exceed 15 cents per bushel.

In years when export prices drop below the minimum, the deficit on up to 200 million bushels will be made up by the Fund. If it is insufficient to meet payments, as is presently the case, the difference will be paid by the Commonwealth Government.

There is little doubt that the new plan will greatly reduce government liabilities for the wheat subsidy in coming years. Australian f.a.q. wheat is now selling at about A$1.43 per bushel, f.o.b. If the price holds at this level for the year, it would be just 2 cents below the Australian guarantee; on 200 million bushels, this would cost the government only A$4 million in subsidy. The current appropriation for wheat subsidies in fiscal 1968-69 is A$43 million, and it would have been somewhere around A$120 million for 1969-70 if the cost-of-production index had not been revised.

Past experience indicates that some upward movement will occur in payments to producers. If this advance amounts to 3 cents per bushel yearly, the guaranteed price by 1972-73 would reach A$1.57, for a maximum cost to the government of A$32 million—still well below the current level of subsidization.

### Growers asked for more

The wheat growers, dissatisfied with the new arrangement, withheld their approval of the program for nearly a month, demanding an increase in the price of export wheat and other concessions. However, they eventually had to come around to the government viewpoint—especially in view of the bumper wheat crop expected this season. Estimated at around 500 million bushels, that crop could create many marketing problems for Australia, and the feeling was that in such a case some stabilization program is better than none.

—Based on dispatches from Fred M. Lege, III
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## Trinidad and Tobago

# One Nation's Progress Toward Feeding Itself

By BERNARD DE VERTEUIL
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Trinidad and Tobago, a tiny, two-island country of less than 1.3 million acres and slightly more than 1 million people, is taking great strides towards agricultural self-sufficiency. From an agricultural economy based primarily on growing sugar and tree crops for export, the country has expanded—in the 6 years since it became independent—into an active producer of meats, dairy products, food crops, fruits, and vegetables for domestic use. And tomorrow promises substantially greater gains.

How did this happen in so short a time? The answer lies in an ambitious farm program that has combined the resources and talents of government and private enterprise.

From 1797, when Trinidad became a British colony, until Independence in 1962, agricultural policy placed special emphasis on growing sugar and tree crops—cocoa, coffee, and citrus—for export to Britain. Much of the islanders' food was imported on ships calling for the export crops. As a result, Trinidad and Tobago's farming community was unprepared to grow its own food when the country became independent; and when the value of export crops slumped, most owners of small holdings migrated to the cities in search of more remunerative work. The young state was faced with difficult problems: Foreign reserves started to decline; the government budget, which showed a surplus in 1962, was just in balance in 1965; food imports were climbing steadily, from $26.5 million in 1954 to an alltime high of $52.8 million by 1966; and agriculture's contribution to gross national product was falling—from 17 percent in 1953 to 10 percent in 1965.

### Government begins program

As a first step toward solving some of these problems, the government looked at its own lands—571,000 acres, of which 100,000 appeared adequate for agricultural development. With this, plus suitable climate and available labor, the government was encouraged to embark on an agricultural program based on greater domestic production and import substitution to reduce food imports and relieve unemployment. Since three of the major import items—dairy products, meat and meat products, and fruits and vegetables—appeared to hold promise for domestic production, the government decided to concentrate on them. In 1966 imports of dairy products amounted to $10.3 million or 19.6 percent of total food imports; of meat and meat products, $8.3 million or 16 percent; and of fruits and vegetables, $5.9 million or 11.2 percent.

After making this decision, the government initiated a program to provide the preliminary basis for development of these agricultural products. First, a land-capability survey was conducted under the auspices of the University of the West Indies. Private industry, interested in the stability of the economy, helped also. Vital information on yields required for economical dairy farming was obtained from an experimental farm operated by a large oil company. Its experiments proving that imported dairy cattle could thrive under tropical conditions encouraged the government to use imported Holsteins in its dairy scheme. The same company, in conjunction with the University of the West Indies, operates a field station for vegetable research; data accumulated here are being used as a basis for recommending varieties that can be grown on a field scale. (See *Foreign Agriculture*, Nov. 15, 1965.)

Next, the government reorganized the extension services and started a crash program for training extension officers. To provide a system of supervised agricultural credit for small- and medium-sized farms, an Agricultural Development Bank was formed. Subsidies were provided for establishing pastures and for construction of pig pens. The government established a marketing agency to provide farmers with a guaranteed market and minimum wholesale price; this agency also deals in livestock feed, seed, fertilizer, insecticides, and other agricultural supplies in order to control prices for these inputs necessary to farm production.

*Below, this family of 13 is now settled on its own 5-acre farm at Waller Field, one of 1,800 small farms developed on government land; right, on another farm developed under same program, farmer hand-sprays his crops.*

The problem of marketing the milk produced by farmers was solved by granting pioneer status, with an accompanying tax-free holiday, to a large dairy firm, which agreed to establish milk-collection stations in a designated district when milk production there reached 1,000 pounds per day. In addition, the dairy firm agreed to purchase all farmers' milk at fixed prices according to quality.

To guarantee a market for meat, the government also granted pioneer status to a meat packing and processing company. This company now has a processing plant under construction; the plant is scheduled to begin its operations sometime this month.

## Small farm development

Having established these foundations, the government embarked on a major project to develop about 1,800 small farms on 12,000 acres of its own land. Cost of this project has been placed at $11.4 million, of which $5 million is being financed by a World Bank Loan and the balance by the government, participating farmers, private enterprise, and the Canadian Government.

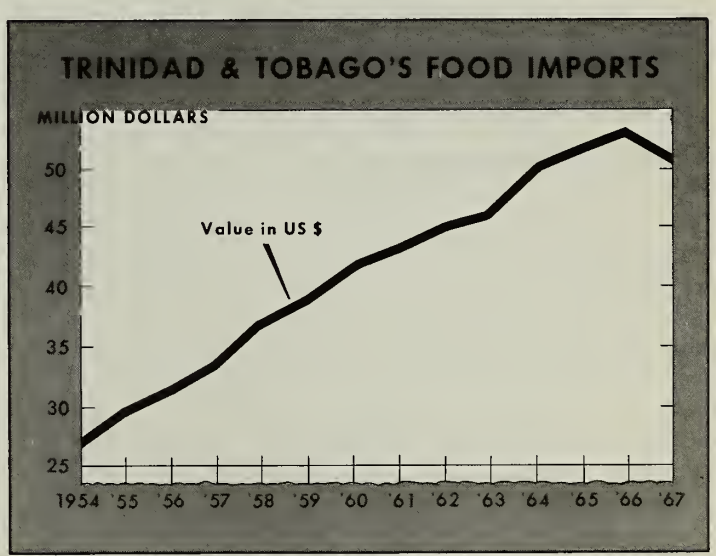
Farmers are being settled on this land at any one of three stages: Full, partial, or basic development. Under full development, the government provides the infrastructure—water, roads, electricity; clears the land; develops the farm completely; and turns the farm over to the farmer as a going concern stocked with animals or planted with bearing trees. Under partial development, the infrastructure and cleared land are provided, but the farmer carries on from there with his own resources. Under basic development, only the infrastructure is financed by the government; on-farm investments for tobacco farms are financed by the tobacco company and for food-crop farms by the farmers themselves.

Two hundred dairy farms of 20 acres each are scheduled for full development, complete with house and other farm buildings. Each is to have 5 acres planted to elephant grass and about 15 to pangola grass, with fenced pastures. The farms are being stocked with five in-calf grade Holstein cows and 15 heifers, mostly imported. The production goal for each farm is 20 cows and 80,000 pounds of milk per year. Including a settlement allowance, the total cost of a dairy farm is averaging $21,541. From this investment, the farmer's income is estimated at $1,300 the second year and $1,705 annually afterwards. The government is holding the mortgage at 7 percent interest. The farmer has 2 years grace and then must repay the loan in 14 years, a repayment schedule totaling 11.43 percent annually. At full development, the 200 farms are expected to produce an estimated 16 million pounds of milk and enough bull calves and cull cows to produce 450,000 pounds of dressed meat.

## Pork production goals

The government will also fully develop 70 pig-production farms, which will be turned over to the farmer complete with farrowing, rearing, and fattening quarters; storage facilities; and a farmhouse. Each farm is to be stocked with 12 gilts and one boar, with a production goal of 270 porkers, plus cull sows and boars, for marketing annually. Cost per farm, including the settlement allowance, is $14,200, from which investment the farmer is expected to make $424 the first year and $1,740 from the fourth year onwards. Mortgage and repayment terms are the same as for the dairy farms. At full development, the 70 farms will produce some 2.36 million pounds of pork annually.

Tree-crop farms slated for full development total 150, each comprising 10 acres. Some of the land will come from an existing farm planted to limes, oranges, and grapefruit; and it will be at least 5 years before all the farms come into




*Left, herd of Holstein cattle at pasture on an experimental farm; this breed is being used to stock the government-developed dairy farms. Below, mechanical root-crop planter being used on a food-crop farm.*

production. The production goal for each is $1,490 worth of citrus fruit annually after 10 years. Cost per farm is estimated at $3,500, with the government holding the mortgage at 7 percent interest. In this case, the farmer has 5 years grace, after which he must repay the loan in 11 years, a repayment schedule totaling 13.34 percent annually.

### Vegetables, food crops

A total of 1,320 vegetable and food-crop farms are to be partially developed, with some 1,200 acres to be settled as 3-acre vegetable farms and about 4,600 as 5-acre farms. Acreage distribution is based on soil topography, rainfall, and market potential, and the cropping pattern is determined by the Agricultural Service. Plantings on the food-crop farms include yams, pumpkins, pulses, green corn, and peas and on the vegetable farms tomatoes, cabbage, eggplant, and green vegetables. Including the settling allowance, cost per farm is $2,050. The government is holding the mortgages at the same interest rate as for the other farms. After 2 years grace, the farmer must repay the loan in 4 years. Income from his investment is estimated at $885 in the third year after settlement.

Basic development will cover 80 10-acre tobacco farms. These are to be financed by the local tobacco company, which will supply on-farm materials, barns, etc., and handle all technical supervision. Agreed tobacco prices will enable the company to recover its investment costs, which vary considerably with the areas under development. Each farm will plant 5 acres of tobacco and 5 of food and vegetable crops annually. Revenue for each tobacco farm is estimated to average $1,940 per year.

### Results encouraging so far

Although the entire land project is still in its early stages, the foundation for a successful food production program has been laid, and results so far have been encouraging. Imports of food, which for 12 years prior to 1966 had been rising at the rate of 8.3 percent annually, decreased by 3.6 percent in 1967—the first decline since 1954. From $8.3 million in 1966, imports of meat and meat products dropped 18 percent to $6.8 million. Imports of dairy products, which for 12 years prior to 1966 increased at the rate of 4.3 percent annually, increased only 1.6 percent last year. Fruit and vegetable imports during 1967 dropped 6.5 percent from the 1966 level.

The success of the government's agricultural development program has been a motivating force for private farmers. With guaranteed markets and prices, they have jumped on the production bandwagon. Dairy farms and piggeries have sprung up all over the country, taking full advantage of government incentives.

As a result of this enthusiasm, Trinidad and Tobago has taken a big stride toward feeding itself. Deliveries of milk, which amounted to 600 pounds per day in 1965, have now reached 25,000 pounds per day and are increasing rapidly. The country is now self-sufficient in fresh pork, whereas imports in 1965 amounted to 1.6 million pounds; when the new processing plant starts operating, it will also be self-sufficient in ham, bacon, sausages, and other pork products. Production of vegetables has also caught up with consumption. As a result, Trinidad and Tobago is now actively seeking export markets for its surplus production of both pork and vegetables.

## Japan's Fruit, Vegetable Output

Most fruits and vegetables are expected to be more abundant in Japan in 1968 than in 1967 because of good weather and increased orchard and garden acreages, according to Japan's Ministry of Forestry and Agriculture. (Fruit-and-vegetable area on Japanese farms has been trending upward for more than a decade as Japan's consumers gradually change their diets. Japanese now include a smaller proportion of starchy foods, such as rice, and more meat, poultry products, milk, fruit, and vegetables.)

The most important fruit crop, both for Japanese domestic consumption and for export, is mandarin oranges. Japanese officials expect an output of about 2.1 million tons—36 percent more than in 1967 and an alltime record crop. The previous record was 1.7 million tons in 1966.

The United States is traditionally the biggest buyer of Japan's canned mandarin oranges. In 1967, a poor year for the crop because of drought, the value of U.S. canned mandarin imports was $11.8 million. This year the Japanese intend to ship not only canned oranges but also fresh. Some States do not allow entry to fresh mandarin oranges.

Other important fruit crops mentioned in the estimates are apples, pears, and grapes. Apple production is expected to be about the same as in 1967; pear output is estimated at 341,900 tons, or 2 percent more than last year; and grape tonnage is previewed as up 3 percent to reach 217,000 tons.

Total production of vegetables is expected to be 4 to 9 percent greater than in 1967; but increases in some vegetable crops may be particularly large. Output of Hokkaido onions is predicted at 117,700 tons (a 14-percent increase from 1967); cabbage production is expected to be 176,500 tons (up 12 percent from the previous year); radish yield is estimated at 64,700 tons (up 12 percent); the carrot crop is pegged at 45,100 tons (up 9 percent); and chinese cabbage is expected to total 86,300 tons (up 4 percent).

## Japan's Meat Import Quotas

Japan's Ministry of International Trade and Industry has begun accepting applications for import licenses on new beef and pork quotas for JFY 1968 (April 1968-May 1969).

The pork quota of 6,000 metric tons brings the total allocation to 10,000 tons for the year. Shipments of domestic hogs for slaughter continue to lag, and pork prices are still high. Current wholesale prices for carcass pork in Tokyo are near the equivalent of 52-53 US cents per pound, considerably higher than the government's established ceiling price of 42 cents. To help reduce prices as soon as possible the government is recommending that buyers import the total amount of pork permissible under the new quota.

The beef quota of 4,900 tons announced September 21 may be imported by wholesalers and retailers only. On October 14 quota of 6,100 tons will be divided between meat processors (2,100 tons) and the Livestock Industry Promotion Corporation (a quasi-governmental organization to stabilize meat prices).

The beef quotas, expected to reach a total of 20,000 tons by the end of JFY 1968, hold new importance for exporters of quality U.S. beef cuts because of recent Japanese interest and strong promotional efforts (see *Foreign Agriculture* September 16, 1968).

## OECD studies members' efforts

# Agricultural Aid to Developing Countries

A vigorous and profitable agriculture often provides the broad base from which other economic advances can push off. What are the developed countries of the Free World doing to increase farmer productivity and food supplies among their less-developed trading partners and neighbors? The Organization for Economic Co-operation and Development (OECD) thought the question important enough to make a special attempt to analyze the agricultural aid policies followed by members of its own Development Assistance Committee (DAC). The OECD's conclusions [1] are summarized in the following paragraphs.

### Money flow

According to OECD research, DAC countries allocated a total of US$3.3 billion in aid funds for agriculture from 1962 through 1965 in bilateral (country-to-country) agreements. This $3.3 billion was about 12 percent of the total aid spent or committed in bilateral agreements during the period. A little more than two-fifths of bilateral agricultural aid was provided by the United States. France, West Germany, the United Kingdom, Japan, and Italy, listed in the order of their commitments, also were heavy contributors. Together, the six countries were responsible for about 90 percent of agricultural aid to developing countries by DAC members.

On the receiving side, about one-quarter of DAC agricultural bilateral aid for 1962-65 was absorbed by Latin America, about one-third by Africa, and the remainder (a little less than one-half) by developing countries in Asia.

### Money uses

Another way of analyzing total bilateral aid funds is to determine how they were spent.

In 1965 agricultural aid commitments by DAC countries reached $689 million. More than half of this total, or $385 million, was earmarked for aid to agricultural production. Two-thirds of the $385 million was for supplies of agricultural production requisites (fertilizers, pesticides, seeds, agricultural implements), for land and water development projects (mainly irrigation schemes), and for agricultural extension, education, and research.

In recent years DAC countries have allocated, on the average, nearly one-fifth of their bilateral aid to agriculture for buying production requisites. Of the aid spent in this category, about 61 percent has been for fertilizers, about 30 percent for agricultural implements, and the remainder for seeds and pesticides. Geographically, the chief recipients of agricultural production supplies have been India, Korea, Vietnam, and Pakistan.

Another major type of agricultural aid is investment in agribusiness—that is, in industries that either make production requisites or that process, package, or help market agricultural goods. DAC countries spent $363 million (that could be traced) on agribusiness aid during 1962-66. Probably much more money was used. The chief sources of this form of aid have been the United States, Japan, Italy, and Germany; the major recipients were India, Indonesia, and Korea up through 1965.

Technical assistance has become an essential element in the aid programs of many DAC countries. It may be either the activities of agricultural advisers and operational experts or the training of personnel from less-developed countries in agriculture or agriculture-related specialties and techniques.

The precise monetary value of technical assistance by DAC countries is difficult to isolate because such help is often linked with various types of capital investment. In terms of manpower, 6,821 experts from DAC countries were at work in recipient countries during 1965. By 1966 their number had reached 7,633. In addition to the experts, a number of volunteers (2,155 in 1966) swelled efforts.

The main suppliers of trained personnel were France, the United States, and the United Kingdom. Assistance was concentrated in Africa, where nearly three-fourths of the experts were working. In addition, Africa received nearly half of the education grants made available by DAC countries. This concentration partly reflects the particular need by many African countries for trained agriculturalists and partly reflects the

ESTIMATED OFFICIAL BILATERAL ASSISTANCE COMMITMENTS [1] FOR AGRICULTURE IN LESS-DEVELOPED COUNTRIES BY DAC MEMBERS

| Country | Period | Agricultural aid | Agricultural aid as share of country's total bilateral aid [2] |
|---|---|---|---|
| | | *Mil. U.S. Dol.* | *Percent* |
| Australia | Up to 1966 | 19 [3] | 12 |
| Austria | 1963-66 | 1 | 1 |
| Belgium | 1965-66 | 9 | 5 |
| Canada | 1962-66 | 47 | 5 |
| Denmark | 1965-66 | 4 | 15 |
| France | 1962-66 | 444 [4] | 9 |
| Germany | Up to 1966 | 402 | 12 |
| Italy | 1962-66 | 212 | 11 |
| Japan | 1962-66 | 249 | 16 |
| Netherlands | 1962-66 | 34 | 14 |
| Norway | 1965-66 | 3 | 16 |
| Portugal | 1965-67 | 90 [5] | 18 |
| Sweden | 1962-66 | 23 | 29 |
| United Kingdom | 1962-66 | 378 | 18 |
| United States | 1963-67 [6] | 1,388 | 13 |

[1] Includes assistance for direct processing, agricultural-input manufacture, forestry and fishery projects; excludes food aid. Data shown are for disbursements rather than commitments for Germany, Norway, and the United Kingdom. [2] Includes private export credits for Italy and Japan and total allocation for Portugal's Interim Development Plan, 1965-67. [3] Does not include aid to Australia's Trust Territory of New Guinea. [4] OECD provisional estimate. [5] Totals all allocations to agriculture under the Interim Development Plan, 1965-67, including private contributions. Most of aid goes to Portugal's Overseas Provinces, Mozambique and Angola. [6] Fiscal years. [7] AID assistance, including Social Progress Trust Fund.

[1] The OECD's findings were published in July 1968 in a report entitled *Aid to Agriculture in Developing Countries*. The report can be obtained from OECD Publications, 2, rue André-Pascal, Paris XVI[e], France.

priority given to African agricultural development by former colonial powers in Africa.

France supplies more agricultural advisers and technicians than any other DAC country (3,435 in 1966) and also provides considerable funds for training (1,593 recipients in 1966). One reason for the large number of trained personnel provided by France is that the country's agricultural aid policy includes financing French nationals working at all levels on a long-term basis in French-speaking African countries.

The United Kingdom provided 1,622 experts in agriculture in 1966 and paid for training 534 students and technicians. The United Kingdom's aid policy is primarily oriented toward short-term assistance.

The United States financed 1,673 agriculturalists in 1966 to give technical assistance throughout the world—though the concentration of personnel was in Latin America. In contrast, the United States provided funds the same year for the education of 4,741 students of agriculture—more than half the number of recipients aided by all DAC countries.

In addition to funds to improve agricultural production, create agribusiness networks, provide technical assistance, and train personnel for less-developed countries, an annual average (up to 1966) of $1.5 billion worth of foodstuffs is contributed by DAC members to less-developed countries. The chief donor of this type of aid in the past has been the United States, but increasing amounts are being provided by Australia and Canada.

## Country programs

Nearly all DAC countries provide both capital and technical aid for a variety of agricultural-development projects. But some have assumed regional responsibilities, and some have particularly strong programs in certain types of aid. Only the major contributing countries' programs are analyzed below.

*France* concentrates its bilateral aid in the franc area and makes use of the large reserve of manpower experienced in tropical conditions that it inherited from its colonial days. In addition, France maintains an unusually complete range of research and training institutes for tropical agriculture that had been progressively built up before decolonization.

A large proportion of French aid flows to former French territories in Africa, although France's efforts are expanding in Latin America and the Middle East.

In general, agricultural projects have emphasized the increased growth of crops for export rather than crops for food. Areas where French aid is concentrated have not traditionally had actual shortages of food—although malnutrition is common. In the African countries, emphasis is placed on aid that can be spent on land already in cultivation—especially improvements by inexpensive methods that draw on the participation of local populations.

The *United Kingdom's* official expenditures for agricultural aid are estimated to have been about $70 million in 1964, $95 million in 1965, and $85 million in 1966.

A unique feature of the U.K. program is the efforts of the Commonwealth Development Corporation (CDC). This semi-public institution provides financing in Commonwealth countries for plantation-type agriculture projects in which there is worker or smallholder participation in production, processing, and profit sharing. Emphasis has been on cash crops, but some food crops are now being pushed. The CDC is also involved in capital investments in land-improvement and irrigation projects that often give much-increased agricultural production.

Other aid given importance in British policy is the maintenance of agricultural research centers both in the United Kingdom and abroad. Such aid has contributed to both the capital costs and the recurrent expenses of several regionally important institutions. Also important is the aid given to schools and universities that include agricultural facilities.

The *United States* bilateral aid has always covered a wide range of activities; but recently emphasis has changed, according to the OECD. In the period 1962-65, stress was put on increasing agricultural education, on providing physical and administrative networks for marketing and credit, and on providing direct-processing industries.

Since 1965, the focus has been on increased food output. Aid to increase food supplies has been in the form of:

- Money for or supplies of agricultural inputs, particularly fertilizers;
- efforts to favorably alter internal agricultural policy or provide cultivators with sufficient incentives to improve their agricultural practices;
- improvement of local agricultural programs and the development of administrative services; and
- financial aid to agricultural research.

Two special efforts of U.S. aid have been financing rural banking institutions and credit associations and establishing agricultural cooperatives. During 1962-65, the U.S. Agency for International Development (AID) allocated $77.5 million for credit institutions—chiefly in Latin America. During operations to establish cooperatives, U.S. financial aid helped to set up or reorganize 40,000 units in 53 countries. Cooperative programs have been most heavily concentrated in Latin America, but some efforts have been made in Africa and

Asia. For example, in Korea 18,000 cooperatives, which are the main source of credit for rural families, were revamped. In Taiwan, AID-established farmers' associations provide credit for 700,000 farmer-owners.

Another feature of U.S. aid is that a significant portion is from sources other than the Federal Government. Many universities have programs both in the United States and abroad that directly help agriculture in less-developed countries. The Ford and Rockefeller Foundations have both been active in agricultural improvement (together, they probably spent more than $15 million in 1965) and helped develop some of the new high-yielding grains that may change the food situation in Asia.

*West Germany's* agricultural aid is exceeded in dollar value only by that of the United States and France. A large part of that aid, in terms of manpower and number of projects, is in technical assistance. But measured by monetary input, Germany's biggest efforts have been in land and water improvement (irrigation and drainage projects), road building, and agribusiness ventures (fertilizer plants, farm-equipment factories, sugar refineries, oil mills, and fish-processing plants). Germany has also contributed to many general projects, such as area electrification, that will eventually aid agriculture.

Germany has found it increasingly useful to supply production requisites to farmers getting other forms of aid, and its efforts in this direction are expected to increase.

A special feature of nearly all German technical aid projects is that they contain elements of research likely to have an immediate effect on farm productivity. For example, work has been done in several areas on plant and animal diseases.

Regionally, nearly half of Germany's technical assistance projects have been in Africa, about one-fifth each in Asia and Latin America, and the remainder in southern Europe.

*Japan's* efforts to aid agriculture are confined almost entirely to southern and eastern Asia. In recent years its financial help to other countries has been increasing rapidly, and this trend is most evident in the aid flows to agricultural industries—mainly fertilizer plants in India, Korea, and Taiwan and sugar refineries in Indonesia, Taiwan, Malaysia, and Pakistan.

Other areas of major aid have been irrigation and land reclamation and the supply of fertilizers, pesticides, and equipment.

Technical guidance and training are concentrated in over a dozen technical cooperation centers for agriculture and fisheries in Cambodia, India, Pakistan, and Ceylon. India alone has eight centers.

*Italy* has contributed the major part of its agricultural aid to agribusiness and especially to the manufacture of agricultural inputs. During 1962-66, over $99 million, or 46 percent of Italy's total capital aid to agriculture, was spent to build fertilizer plants. Indonesia and India were the chief recipients. Other major categories of expenditure have been land and water development (14 percent of traceable funds), land settlement and development (12 percent), and direct-processing industries (10 percent). About 18 percent of Italian aid went for "general agricultural improvement"—mainly supplying tractors and other agricultural machinery.

One of its most important aid programs, and one in which Italy has been engaged for several years, is improving banana production in Somalia and supporting Somali banana prices.

*Left, an American authority on agricultural education interviews farmers in Dois Irmães, Rio Grande do Sul, Brazil, for a U.S. university project. Above, worker breeds potatoes as part of cooperative agricultural program between the Mexican Government and the Rockefeller Foundation. Right, two French agricultural experts examine fleet of French-financed farm tractors in Senegal.*

# North Irish, Swedes Hail U.S. Rice

*Right, U.K. importer shows rice and noodle products to Irish customer; below, boil-in-bag rice wins Irish fans.*

American rice may be able to boost its percentages of the market in both Northern Ireland and Sweden, judging from its reception at September trade fairs.

The U.S. share is already high in both countries—over three-fourths of total sales in Northern Ireland and about half of the much newer Swedish market. The U.S. rice industry, working with FAS through the U.S. Rice Council for Market Development and through local agents already handling specific brand names, feels it has been able to spark further interest by the wide variety of rice flavors and recipes it offered last month to the North Irish at Belfast's Ideal Home Exhibition and to the Swedes at Stockholm's St. Erik's Fair.

Ann Smith, U.S. Rice Council representative for the United Kingdom, found the reaction in Belfast "fantastic." "We're going to sell a tremendous lot here," she predicted, "as the whole economy is expanding, and people are looking for something new and different in their meals." She made a point of demonstrating to her audience how well American rice can combine with local foods for a new and distinctive Irish-American cuisine; and they responded by loading themselves with both rice and recipes to try out at home. The same response met Council demonstrators at stores in and around Belfast where U.S. foods were promoted during the Exhibition period.

In Sweden, too, the theme was the new and different. As Paul Ita, Council representative in Stockholm, points out, Sweden as a rice market is still young; only 10 years ago, rice was used there mostly in sweet dishes, particularly around Christmas time. Now, it is catching on for main courses, largely because the travel-conscious Swedes have been eating it that way in countries like Spain and Italy. "Switch from routine to rice," urged the sign on the Council's stand at the Stockholm Fair. But, judging from the widespread preference in Sweden for 10-pound bags over the 14-ounce boxes popular in the United States, rice may already be part of the Swedish routine.


*American rice prepared Spanish style (below) went over well in Sweden; so did converted rice (left), pleasing Swedes of all ages by ease of preparation.*

*Left, Japan's biggest TV network focuses on U.S. chilled beef flown over for show. Below, ice cream based on soy derivatives wins new Japanese friends for soybeans.*

# Tokyo Exhibit Stars U.S. Nutrition

How to use American foods for nutrition and profit was the focal point of a special invitational meat and nutrition exhibit by USDA in Tokyo this month with the U.S. Trade Center as showcase. The program, keyed directly to Japanese whose professional interest is food, included visual displays of selected U.S. farm products, continuous demonstrations of the various ways they can be prepared and used, an abundance of taste samples, and six American specialists in various aspects of nutrition, food merchandising, and food preparation, who presented daily seminars followed by intensive question-and-answer sessions.

Main attraction of the exhibit (Sept. 24-Oct. 4) was U.S. choice beef, stressed in keeping with a concerted U.S. effort to enter Japan's estimated $65-million beef import market and narrow the gap between its limited production of quality beef and its rising consumption. But seminar sessions also showed the role of wheat foods, salads, and poultry in U.S. family and institutional feeding; and displays high-lighted soybeans and feedgrains (promoted through foods that are byproducts of their use), plus citrus, prunes, and raisins.

Between seminars, serious food sampling was the order of the day. Everything was tested and discussed in detail. Biggest impact was made by samples of standing rib roast, fresh orange slices, and turkey tidbits dipped in cheese sauce or in soy sauce and grated lemon rind. Also well received were Bismarck sandwiches (cake buns filled with honey butter and fresh pineapple slices), soft ice cream (made from soy derivatives), and prunes and raisins eaten out of hand.

The Japanese guests—all experts in their fields—included importers, large-scale wholesalers and retailers, institutional feeding specialists, and major hotel and restaurant operators. Cooperating with USDA's FAS in the venture were representatives of the U.S. meat industry, Wheat Associates U.S.A., the Institute of American Poultry Industries, the American Soybean Association, the California Prune and Raisin Advisory Boards, the U.S. Feed Grains Council; the California-Arizona Citrus League.

*Below left, Beverly Anderson tells an audience of food experts what the sandwich means in U.S. nutrition, as they see in mirror above how she puts one together. Below right, three dieticians discuss uses of turkey in Japanese-style cooking.*

# CROPS AND MARKETS SHORTS

## U.S. Trade in Livestock and Meat Products

Rising U.S. slaughter cattle and wholesale boneless beef prices have contributed to the continued upward trend in U.S. imports of livestock and meat products. Although U.S. exports for the period January-August 1968 are below year-earlier levels, August exports of many commodities were up.

Total red meat imports were over 1 billion pounds for January-August 1968. Most of the increase relative to 1967 was due to increased imports of beef and veal, primarily boneless beef and prepared and preserved beef and veal. Pork imports were up 5 percent for the first 8 months this year, but for August alone they were 4 percent below the same month last year. Live cattle imports were up substantially, reflecting the strong U.S. demand for feeder cattle.

Compared to previous months, U.S. exports of livestock and meat products showed considerable improvement. While January-August exports of inedible tallow and greases were below year-earlier levels, August exports were up 16 percent. Total red meat exports during January-August were down, but for the month of August exports more than doubled. Similar trends occurred in variety meats—January-August exports were below year earlier levels while August exports increased 20 percent. With the single exception of cattle parts, the same trends occurred in U.S. exports of hides and skins. Of major exports, live cattle showed the greatest decline.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

| Commodity | August | | Jan.-Aug. | |
|---|---|---|---|---|
| | 1967 | 1968 | 1967 | 1968 |
| | *1,000* | *1,000* | *1,000* | *1,000* |
| Animal fats: | *pounds* | *pounds* | *pounds* | *pounds* |
| Lard | 16,293 | 15,903 | 121,853 | 109,883 |
| Tallow and greases: | | | | |
| Inedible | 189,706 | 220,064 | 1,559,155 | 1,506,390 |
| Edible | 379 | 824 | 12,364 | 6,067 |
| Meats: | | | | |
| Beef and veal | 2,517 | 2,353 | 21,567 | 18,082 |
| Pork | 3,018 | 10,301 | 32,442 | 30,231 |
| Lamb and mutton | 100 | 102 | 951 | 1,168 |
| Sausages: | | | | |
| Canned | 244 | 102 | 1,497 | 960 |
| Except canned | 87 | 280 | 774 | 1,933 |
| Meat specialties: | | | | |
| Canned | 512 | 122 | 5,396 | 941 |
| Frozen | 120 | 179 | 1,356 | 1,223 |
| Other canned | 121 | 734 | 1,544 | 5,696 |
| Total red meats [1] | 6,719 | 14,173 | 65,527 | 60,234 |
| Variety meats | 17,129 | 20,617 | 149,721 | 134,454 |
| Sausage casings: | | | | |
| Hog | 523 | 557 | 4,103 | 4,123 |
| Other natural | 345 | 609 | 2,774 | 2,284 |
| Mohair | 432 | 1,174 | 6,152 | 7,331 |
| Hides and skins: | | | | |
| Cattle parts | 3,980 | 1,164 | 29,101 | 21,735 |
| | *1,000* | *1,000* | *1,000* | *1,000* |
| | *pieces* | *pieces* | *pieces* | *pieces* |
| Cattle | 843 | 1,306 | 8,004 | 8,085 |
| Calf | 89 | 91 | 1,340 | 1,423 |
| Kip | 50 | 20 | 327 | 214 |
| Sheep and lamb | 306 | 423 | 2,569 | 2,535 |
| Horse | 3 | 6 | 47 | 51 |
| Goat and kid | 15 | 24 | 200 | 155 |
| | *Number* | *Number* | *Number* | *Number* |
| Live cattle | 4,616 | 2,453 | 28,199 | 23,012 |

[1] May not add due to rounding.
Bureau of the Census.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

| Commodity | August | | Jan.-Aug. | |
|---|---|---|---|---|
| | 1967 | 1968 | 1967 | 1968 |
| Red meats: | | | | |
| Beef and veal: | | | | |
| Fresh and frozen: | *1,000* | *1,000* | *1,000* | *1,000* |
| Bone-in beef: | *pounds* | *pounds* | *pounds* | *pounds* |
| Frozen | 966 | 1,486 | 2,856 | 7,067 |
| Fresh and chilled | 793 | 1,775 | 2,750 | 11,724 |
| Boneless beef | 85,794 | 98,463 | 509,705 | 570,365 |
| Cuts (prepared) | 92 | 419 | 791 | 1,711 |
| Veal | 560 | 969 | 9,933 | 13,772 |
| Canned beef: | | | | |
| Corned | 8,197 | 6,776 | 51,109 | 59,097 |
| Other, incl. sausage | 1,051 | 571 | 8,279 | 9,633 |
| Prepared & preserved | 2,602 | 2,724 | 22,767 | 44,167 |
| Total beef & veal [1] | 100,055 | 113,183 | 608,190 | 717,536 |
| Pork: | | | | |
| Fresh and frozen | 4,354 | 3,508 | 32,253 | 34,866 |
| Canned: | | | | |
| Hams and shoulders | 16,218 | 16,559 | 141,500 | 151,367 |
| Other | 2,875 | 2,897 | 28,385 | 27,238 |
| Cured: | | | | |
| Hams and shoulders | 384 | 95 | 1,272 | 1,542 |
| Other | 480 | 274 | 2,860 | 2,850 |
| Sausage | 150 | 200 | 1,765 | 1,560 |
| Total pork [1] | 24,461 | 23,533 | 208,035 | 219,423 |
| Mutton and goat | 4,124 | 5,949 | 33,330 | 49,170 |
| Lamb | 520 | 1,236 | 6,105 | 10,772 |
| Other sausage | 535 | 673 | 4,270 | 4,944 |
| Other meats, n.s.p.f. | 1,193 | 801 | 10,412 | 7,414 |
| Total red meats [1] | 130,888 | 145,375 | 870,342 | 1,009,259 |
| Variety meats | 236 | 342 | 1,914 | 2,484 |
| Wool (clean basis): | | | | |
| Dutiable | 7,734 | 9,460 | 73,422 | 95,332 |
| Duty-free | 7,317 | 9,699 | 46,356 | 81,303 |
| Total wool [1] | 15,050 | 19,161 | 119,781 | 176,634 |
| | *1,000* | *1,000* | *1,000* | *1,000* |
| Hides and skins: | *pieces* | *pieces* | *pieces* | *pieces* |
| Cattle | 21 | 47 | 105 | 321 |
| Calf | 27 | 46 | 324 | 278 |
| Kip | 16 | 32 | 266 | 176 |
| Buffalo | 20 | 48 | 262 | 360 |
| Sheep and lamb | 1,778 | 2,216 | 15,426 | 25,418 |
| Goat and kid | 559 | 296 | 5,243 | 3,885 |
| Horse | 8 | 26 | 126 | 196 |
| Pig | 108 | 28 | 865 | 485 |
| | *Number* | *Number* | *Number* | *Number* |
| Live cattle [2] | 30,776 | 32,422 | 386,143 | 594,500 |

[1] May not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

## Weekly Report on Rotterdam Grain Prices

Between October 1 and October 8, 1968, changes in offer prices were mixed in Rotterdam. U.S. Hard Winter prices increased by 3 cents and U.S. Spring by 1 cent, while Soft

Red Winter was down 2 cents. Canadian Manitoba was up 2 cents and Argentine White declined 1 cent. USSR 121 was not quoted.

The price for U.S. corn dropped 2 cents and Argentine corn was down 1 cent. South African corn was not quoted.

A listing of the prices follows.

| Item | Oct. 8 | Oct. 1 | A year ago |
|---|---|---|---|
| | *Dol. per bu.* | *Dol. per bu.* | *Dol. per bu.* |
| Wheat: | | | |
| Canadian No. 2 Manitoba | 2.04 | 2.02 | 2.14 |
| USSR 121 | (1) | (1) | (1) |
| U.S. No. 2 Dark Northern Spring, 14 percent | 1.95 | 1.94 | 2.03 |
| U.S. No. 2 Hard Winter, 14 percent | 1.96 | 1.93 | 1.98 |
| Argentine | 1.77 | 1.78 | (1) |
| U.S. No. 2 Soft Red Winter | 1.76 | 1.78 | 1.78 |
| Corn: | | | |
| U.S. No. 3 Yellow | 1.16 | 1.18 | 1.38 |
| Argentine Plate | 1.38 | 1.39 | 1.74 |
| South African White | (1) | 1.39 | (1) |

1 Not quoted.

All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

## Canada's Oilseeds Estimates Revised Downward

According to the October 7 crop report released by the Dominion Bureau of Statistics, Canada's oilseed production in 1968 will be less than originally estimated a month ago. Average yields per acre, as of September 15, were lower in most northern districts where frost damage and poor harvest weather have reduced the new crop prospects.

The 1968 flaxseed crop is now estimated at 17.3 million bushels, 84 percent above last year's drought-reduced crop of 9.2 million bushels, but 5 percent less than indicated in the September estimate. Flaxseed yields per acre were estimated at 11.3 bushels compared with last year's 9.2 bushels.

Rapeseed production, forecast at 17.4 million bushels, is 30 percent less than the 24.7 million bushels harvested a year ago, and is down 9 percent from the first 1968 estimate. Yields per acre are expected to average 16.6 bushels, compared with 15.2 a year ago.

Soybean production may reach 9.1 million bushels, 13 percent higher than last year's outturn of 8.1 million. Yields per acre were estimated at 31.1 bushels compared with 27.9 last year.

The sunflowerseed area totaled 40,000 acres—down 13 percent from the 45,800 acres planted in 1967. The production forecast was not available due to delays in harvesting this year's crop.

## Japan's Soybean and Meal Imports Up Sharply

Japan's imports of soybeans and soybean cake and meal during January-August rose sharply from the comparable levels last year, but imports of safflowerseed dropped by one-half.

Soybean imports at 1,587,961 metric tons (58.3 million bushels) exceeded imports in the same months last year by 15 percent. Imports from the United States, at 1,343,795 tons (49.4 million bushels), were 22 percent above those a year earlier. Imports from other countries, largely Mainland China, declined 10 percent.

Over 7,000 tons of soybean cake and meal moved to Japan in August, bringing the January-August total to 10,397 tons, all from the United States. Only 2,187 tons entered in the first 8 months of 1967.

Imports of safflowerseed, virtually all from the United States, totaled 40,962 tons, down 51 percent from last year.

JAPAN'S IMPORTS OF SOYBEANS, SOYBEAN MEAL, AND SAFFLOWERSEED

| Commodity | 1966 | 1967 | Jan.-August 1967 | Jan.-August 1968 |
|---|---|---|---|---|
| | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* | *1,000 metric tons* |
| Soybeans: | | | | |
| United States | 1,722.1 | 1,770.5 | 1,104.1 | 1,343.8 |
| Total | 2,168.5 | 2,169.8 | 1,376.4 | 1,588.0 |
| Soybean cake and meal: | | | | |
| United States | 7.0 | 2.3 | 2.2 | 10.4 |
| Total | 7.4 | 2.3 | 2.2 | 10.4 |
| Safflowerseed: | | | | |
| United States | 108.6 | 112.6 | 69.6 | 40.8 |
| Total | 147.6 | 126.8 | 83.7 | 41.0 |

Japanese Customs Bureau, Ministry of Finance.

## Iranian Date Crop Drops Below Average

The 1968 Iranian date crop is estimated at 310,000 short tons, equaling last season but 5 percent below the 1962-66 average of 328,000. Weather has been favorable and rainfall good in Khuzistan region where export quality dates are grown.

Exports are expected to total 26,000 tons during 1968-69, 2,000 less than last season. The United States, Kuwait, the United Kingdom, Canada, and Oman were the major export markets for Iranian dates during the 1967-68 season.

IRAN'S SUPPLY AND DISTRIBUTION OF DATES

| Item | 1966-67 | Preliminary 1967-68 | Estimate 1968-69 |
|---|---|---|---|
| | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* |
| Beginning stocks (Sept. 23) | 21.0 | 32.0 | 33.0 |
| Production | 320.0 | 310.0 | 310.0 |
| Total supply | 341.0 | 342.0 | 343.0 |
| Exports | 30.9 | 28.0 | 25.0 |
| Domestic disappearance | 278.1 | 281.0 | 284.0 |
| Ending stocks (Sept. 22) | 32.0 | 33.0 | 34.0 |
| Total distribution | 341.0 | 342.0 | 343.0 |

## U.S. Leaf Exports Up Substantially in August

Exports of unmanufactured tobacco in August totaled 63.9 million pounds, with a value of $52.7 million. Comparable figures for 1967 were 43.5 million pounds, valued at $37.9 million.

Shipments of flue-cured and burley were up considerably in August with West Germany and Thailand taking large shipments of both types. August shipments of flue-cured were the highest since December of last year, and burley shipments were the highest since June 1964.

In the January-August period, 1968 exports were 8 percent above shipments in the same period in 1967.

Exports of tobacco products were also up considerably in August. A total of $18.9 million worth of products were exported in August, compared with $11.0 million in August 1967. For the year to date the value of shipments of tobacco products is up 11 percent for a total of $103 million.

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U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

| Kind | August | | January-August | | Change from |
|---|---|---|---|---|---|
| | 1967 | 1968 | 1967 | 1968 | 1967 |
| | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *1,000 pounds* | *Percent* |
| Flue-cured | 32,847 | 43,315 | 237,243 | 261,201 | +10.1 |
| Burley | 2,281 | 8,272 | 32,670 | 28,122 | −13.9 |
| Dark-fired Ky.-Tenn. | 1,142 | 3,593 | 13,434 | 14,045 | + 4.5 |
| Va. Fire-cured [1] | 349 | 571 | 2,597 | 3,008 | +15.8 |
| Maryland | 1,699 | 1,585 | 9,923 | 8,172 | −17.6 |
| Green River | 35 | 5 | 798 | 474 | −40.6 |
| One Sucker | 21 | 6 | 688 | 204 | −70.3 |
| Black Fat | 356 | 164 | 2,881 | 1,609 | −44.2 |
| Cigar wrapper | 178 | 176 | 2,365 | 2,928 | +23.8 |
| Cigar binder | 53 | 172 | 1,481 | 1,983 | +33.9 |
| Cigar filler | 23 | 20 | 497 | 250 | −49.7 |
| Other | 4,474 | 6,060 | 21,232 | 29,808 | +40.4 |
| Total | 43,458 | 63,939 | 325,809 | 351,804 | + 8.0 |
| | *Mil. dol.* | *Mil. dol.* | *Mil. dol.* | *Mil. dol.* | *Percent* |
| Declared value | 37.9 | 52.7 | 276.9 | 297.5 | + 7.4 |

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

| | August | | January-August | | Change from |
|---|---|---|---|---|---|
| | 1967 | 1968 | 1967 | 1968 | 1967 |
| Cigars and cheroots | | | | | *Percent* |
| *1,000 pieces* | 6,740 | 5,225 | 48,506 | 47,148 | − 2.8 |
| Cigarettes | | | | | |
| *Million pieces* | 1,917 | 3,088 | 16,287 | 16,924 | + 3.9 |
| Chewing and snuff | | | | | |
| *1,000 pounds* | 21 | 7 | 215 | 185 | −14.0 |
| Smoking tobacco in pkgs. | | | | | |
| *1,000 pounds* | 120 | 209 | 779 | 1,150 | +47.6 |
| Smoking tobacco in bulk | | | | | |
| *1,000 pounds* | 988 | 2,550 | 10,771 | 13,585 | +26.1 |
| Total declared value | | | | | |
| *Million dollars* | 11.0 | 18.9 | 92.7 | 103.2 | +11.3 |

Bureau of the Census.

## Indian Cotton Crop Progressing Favorably

The 1968-69 Indian cotton crop is generally progressing well and the early outlook is for a crop not much below the 1967-68 record outturn of 5.3 million bales (480 lb. net). Aggregate acreage is believed to be about the same as the 20.3 million acres planted last year. The monsoon rains, upon which most of India's crop depends, were 2 to 3 weeks late this year and were deficient over most of the country during June and early July. Adequate rain fell in July and early August causing generally normal conditions for the northern and central crops. Heavy flooding in the western region necessitated some resowing, but the overall rainfall was beneficial and offset the flooding losses to some extent. Because of a widespread need for rain in the south, the main sowing still remained to be completed in early September. Trade reports indicate that optimism for good crop prospects is guarded since much of the country's crop is dependent upon the September rainfall.

Cotton imports during the 1968-69 season are likely to fall below the estimated 650,000 bales imported in 1967-68. The reduced import outlook is attributed to a large carryover of cotton from 1967-68 and reasonably good crop prospects for the current season. Exports of cotton are expected to be around 175,000 bales, the same as in 1867-68. Japan is the major destination of the Indian raw cotton exports, most of which is Bengal Desi, a short harsh cotton.

Despite some financial difficulties encountered by the Indian textile industry, cotton consumption during the 1967-68 season was near a record level. Mill activity continued strong during the spring months. Recently, however, there have been reports that electricity may be curtailed in the Bombay area because of low water levels in the reservoirs feeding the central hydroelectric power unit at Tata Koya. This could affect textile production in that area. Total consumption this season is expected to exceed last year's use of 5.4 million bales.

### Crops and Markets Index





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